

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, July 15, 2010

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Līhu'e on Thursday, July 15, 2010. Chairperson Randall Nishimura called the meeting to order at 10:22 a.m. On roll call, the following answered present:

BOARD: Mr. Randall Nishimura, Chairperson
Mr. Ian Costa
Mr. Dee Crowell
Mr. Donald Fujimoto (*present at about 10:35 a.m.*)
Mr. Leland Kahawai
Mr. Raymond McCormick
Mr. Roy Oyama

Quorum was achieved.

STAFF: Mr. David Craddick
Mr. Keith Aoki
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Dustin Moises
Ms. Faith Shiramizu
Ms. Marites Yano
DOW Deputy County Attorney Andrea Suzuki
First Deputy County Attorney Amy Esaki

Absent & Excused: Mr. William Eddy

AGENDA:

Mr. Oyama moved to accept the Agenda; seconded by Mr. McCormick; by a unanimous vote; motion was carried.

MINUTES:

Mr. Costa moved to approve the Regular Meeting Minutes of June 17, 2010, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

Re: Letter from Ms. Dawn Murata, Agent for the Miyahara Project, 'Om'ao, Kaua'i, dated May 1, 2009

Chair Nishimura noted receipt of the letter dated May 1, 2009 from Ms. Dawn Murata, agent for the Miyahara Project, requesting an appeal to Mr. Fujikawa's letter dated April 1, 2009. Chair Nishimura requested a motion to receive and refer to the Department to provide a report and recommendations at the next Board Meeting; so

moved by Mr. Costa, seconded by Mr. Oyama. Mr. Crowell noted that part of the research should be on how vested this person is because they gave money to the Department. With no further discussion; by a unanimous vote; motion was carried.

BOARD COMMITTEE REPORTS

Re: Report of the Finance Committee of the Kaua'i County Board of Water Supply

Chair Nishimura recused himself from voting on this item.

Re: Claims Payable

Finance Chair Oyama reported that at the July 15, 2010 Finance Committee Meeting the Committee approved the Claims Payables for a total of \$1,040,776.29. Mr. Costa moved to receive the Claims Payable and place on file, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

Re: Report of the Rules Committee of the Kaua'i County Board of Water Supply

Re: Committee Discussion and Possible Action on Rule on Part 1, Rules of Administrative Practice and Procedure.

Rules Chair Costa reported that a Public Hearing had been held, and no public testimony had been received. The Committee approved the Proposed Rules changes and referred it to the next full Board Meeting on August 19, 2010. Mr. Crowell moved to approve the Report, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

OLD BUSINESS

Re: Quarterly Informational Report on Manager's Goals

ITEM NO.	GOAL	Status	DEADLINE	Measure
1	BAB BOND AND WATER PLAN 2020			
	A. Get \$60 Million General Obligation Bond approved and issued.	Done 3/31/10	3/31/2010	Money in Bank
	1. Encumber \$20 million bond proceeds by end of the Calendar Year.	\$12.7m currently	12/31/2010	Signed Contracts
	B. Develop a plan for completing projects identified in the Bond Issue. This plan should include Department staffing requirements and a timeline to complete projects either in-house or through consultant contracts.	2@CEV positions filled. See Bond spend down	5/31/2010	Approved Plan. Amended Budget
	C. Obtain professional services to perform and conduct a comprehensive Financial Management Study, Water Rate Analysis, and Cost of Service study to provide a sound Financial Management Plan for the next five years for the Board and the Department. Re-visit Water Plan 2020.	Selected Consultant Waiting on proposal	7/31/2010: Hire consultant 04/30/2011 Public Hearing Report	Consultant working on study with commitment to finish in time for Public Hearing process.
	D. Re-visit Water Plan 2020. Update and re-prioritize projects and submit for Board Approval	See Bond Spend down	4/30/2010 for Bond Float Projects. 11/30/2010 for non-Bond Items.	Approved Priority list
	E. Develop a public relations campaign to inform and update the public on:	RFP July 7		Public presentations
	1. 2020 Plan	See above		Public Presentations
	2. Explanation of the Bond Float and its relevance to the 2020 plan	See above	10/30/2010	List
	3. Development of significant talking points that describe the need for the rate hike, as well as the prioritization of the projects. This discussion should be easily understood by our customers.	See above	12/31/2010	Presentation Public - Ready
	4. Development and implementation of a clear plan to educate the ratepayers of the upcoming rate hike before setting the public hearing. Hiring a PR consultant may be a viable option.	See above	1/31/2010	Presentation Public - Ready
	5. Explanation of the future plans/challenges and our plans to accomplish/manage them.	See above	1/31/2010	Presentation Public - Ready

ITEM NO.	GOAL	Status	DEADLINE	Measure
2	PERSONNEL AND ACCOUNTING A. Develop an approved succession plan for the entire Department with a timetable to implement the first three goals, allowing the Operations Division implementation priority. B. Fill all vacant positions critical for implementation of Water Plan 2020 in accordance with the accepted budget. Promote or replace all retired positions with well-qualified persons within 6 to 8 months and hire a qualified Deputy within 8 to 10 months. C. Implement cross training so that employees can effectively fill temporary and/or pending retirement positions, thus enabling employees to acknowledge their capabilities in performing additional responsibilities as result of cross training, which in turn will provide the Department with qualified replacement personnel. D. Complete the reorganization of the Operations Division.	Everyone planning to leave has gone. Positions are filled. Still a moving target ???	6/30/2010 10/31/2010 12/31/2010 On-going 10/31/2010	Approved organizational chart Filled Positions Filled Positions Program functional. Cross training hours recorded and in personnel files. Positions advertised
3	STANDARDS A. Choose industry benchmarks appropriate to similar sized water facilities and compare our stance relating to those benchmarks. Publicize these results annually or semi-annually.	Advertised July 2010	11/30/2010 Updated every 6 months	Chart in Main Office Lobby
4	FACILITIES A. Develop plans to ease the "crowded" work environment in the administrative/accounting/engineering divisions. (The Engineering section appears to be sitting on top each other, which, from the customer's perspective looking in the window, reflects an unorganized department.) B. Analyze the office logistics. Presently the office is very crowded; Plans delineating several solutions need to be drawn up for selection.	Working on it. Since we are designing a new building crowding view changed. Consultant on Board April 2010	6/30/2010 9/30/2010	Housecleaning Hire Consultant
5	INTER AGENCY CO-ORDINATION A. Integrate our CIP plan with the County's 6 year CIP Plan to take advantage of the economies of scale. B. Ensure our water infrastructure is in place for County sponsored or supported Affordable Housing Development Projects.	Sent DOW Plan May 2010 This needs to be redone	4/15/10 4/15/10	Completed plan submitted to Mayor's Office Plan draft included as part of 6 year County CIP Plan

Manager Craddick reviewed the current status of the above items.

Item 2.B, second part, "Hire a qualified Deputy" has question marks; Manager Craddick presumed the Board had approved this prior to getting the Deputy, but he just wanted to make sure so he can complete this part.

Item 4.A – "Crowded work environment" – Manager Craddick explained that because we are doing the new building, and the consultant is on board, this one is done. Manager Craddick noted that from the customer's perspective the Engineering Department looks better with the new picture board in place.

Item 1.E – Manager Craddick noted that an RFP for Public Relations Services has been issued. Mr. Crowell noted that the deadline dates for item 1.E, Public Relations Campaign, items 4 and 5 should both be revised to 1/31/2011 from 1/31/2010.

Item 1.C – Rate Study – upon query from Mr. Kahawai, Mr. Ganaden reported that he had made a recommendation and is waiting for a cost proposal from the consultant.

Upon query from Chair Nishimura if there were any revisions to Water Plan 2020, non-bond items, Manager Craddick stated he would look through and see if anything needs to be added or changed.

Chair Nishimura requested Manager Craddick update the Status column wording of Item 2.A, Succession Plan. Manager Craddick confirmed that Item 2.C, Cross Training, is ongoing, and that for Item 2.D, Reorganization of the Operations Division, all approved positions have been advertised.

Manager Craddick distributed a spreadsheet on the 2010 Bond Project Priority Spend Down which has been added to the Goals. Items 9, 10, 11 were priority items and we are working with DPW to get signatures and then they will be ready to go to bid. Mr. K. Fujimoto reported that some have already been approved and are now with the Planning Department. Upon query from Mr. Kahawai about the \$12.7 million currently contracted, Manager Craddick reported that they are the items in light green on the spreadsheet. Actual bid numbers are now listed with payout amounts listed at the bottom. These projects include Waimea Main Replacement, Waimea Canyon, Kapaa Pipeline – both projects, Hanalei/Moalepe, Wainiha Tank Road, Kaumualii Pipeline, and Lihue Baseyard Improvements. The CIP items 5 and 6 in green on the spreadsheet are existing consultants that we already had on board. Manager Craddick will add the Engineering Contract Numbers to the spreadsheet.

Chair Nishimura requested that Manager Craddick provide a revised report for the August 19, 2010 Board Meeting.

Mr. Oyama moved to defer action on the Manager's Goals, Quarterly Report, until the next Board Meeting, seconded by Mr. Kahawai. Chair Nishimura expressed that the Department has done a good job of trying to accomplish all the goals. With no further discussion; by a unanimous vote; motion was carried.

NEW BUSINESS

Re: Request Board Approval to Concur with Mayor Carvalho's Proposal for all His Appointees to Receive a 9.23% Decrease in the Salary of Department Heads/Deputies

Chair Nishimura gave a report to the Board with the following:

Recommendation:

It was recommended that the Board, as the appointing authority of the DOW Manager and Chief Engineer, concur with the Administration's directive to reduce the salary of the Manager by 9.23%. It was further recommended that the DOW Manager and Chief Engineer consider such action for the Deputy Manager as allowed for by Article 1, subsection (c) of the Salary Commission Resolution dated August 25, 2009.

Funding: n/a

Background:

To be consistent with the 2-day furlough plan for the County of Kauai, the Administration has proposed a 9.23% decrease in the salary of various department heads/deputies. The exception is Police and Fire. Of note is that the salaries of all elected and appointed officials are set by Resolution adopted by the Salary Commission. Article 1, subsection (c) of the Resolution states that the appointing authority may set a lower salary than provided for in the Resolution.

The Department employees' bargaining units have agreed to furloughs in this tough economic climate. Employees will be taking an average 2 days of furloughs per month in accordance with agreements negotiated between the Administration and the public unions. The Board recognizes the need for the Manager and Chief Engineer to provide the necessary leadership for employees and be responsible for the overall morale of the department. It was therefore recommended that the Manager's salary be reduced in accordance with the remainder of the County and that the Manager and Chief Engineer also consider reducing the salary of the Deputy in a similar manner.

DISCUSSION

Resolution No. 2009-2, Relating to the Salaries of Certain Officers and Employees of the County of Kaua'i - Adopted by the Salary Commission on August 25, 2009 - from the Kaua'i Salary Commission was also presented. Chair Nishimura noted that the salaries should be 9.23% less than those listed, but there should be no impact to benefits.

Chair Nishimura noted that as the Board of Water Supply is not responsible for the hiring or the compensation of the Deputy Manager, he requested that Manager Craddick should follow suit with the Deputy.

Mr. Crowell wondered what would happen with the December 2010 salaries as listed in the Resolution. Chair Nishimura reported that is not yet finalized on how this would affect the potential raises in December 2010.

Mr. Costa moved to approve Mayor Carvalho's proposal for the Manager to have a decrease of 9.23% and that the Manager considers such action for the Deputy Manager as allowed for in the Salary Commission Resolution, seconded by Mr. D. Fujimoto. Mr. Fujimoto asked Manager Craddick if there was any reason why the Board should not do this. Manager Craddick indicated that he had an understanding with Chair Nishimura that the furlough days can be moved around for flexibility. Mr. D. Fujimoto commended Manager Craddick for taking the leadership position.

With no further discussion; by a unanimous vote; motion was carried.

Re: Manager's Report No. 11-01 – Board Discussion and Possible Action on Rule on Part 1, Rules of Administrative Practice and Procedure

Board Approval was requested on the Rule Amendment for Part I, Rules of Administrative Practice and Procedure

RECOMMENDATION:

As there was no adverse testimony at the Thursday, July 15, 2010 Public Hearing, it was requested that the Board approve the amendment to the Rules and Regulations of the Board of Water Supply, County of Kauai for Part I, Rules of Administrative Practice and Procedure.

BACKGROUND:

The Public Hearing for this Rule Amendment was also held on Thursday, July 15, 2010 and its public hearing notice was published in the Monday, June 14, 2010 issue of The Garden Island Newspaper. The Small Business Regulatory Review Board (SBRRB) concurred with our Negative Declaration that there is no perceivable impact on small business; therefore, we do not have to communicate further with the SBRRB on this rule amendment. The rules include all organizational rules for Board conduct and delegation of Authority for voucher approvals.

If and when this rule amendment is approved, the secretary will follow up with the necessary signatures from the County Attorney and the County Clerk. Once the County Clerk signs the proposed rule amendment, it takes effect 10 days thereafter.

As Chair Nishimura had announced at the Public Hearing that he wished this item be deferred to the August 19, 2010 Board Meeting, Mr. Crowell moved to defer; seconded by Mr. Costa; by a unanimous vote; motion was carried.

Re: Manager's Report No. 11-02 – Request for Memorandum of Agreement for the Waipouli Mainline Replacement, Job No. 02-19, Water Plan 2020 Project No. WK-12 - Between Board of Water Supply, County of Kauai, and Department of Public Works, County of Kauai, affecting portions of County roads, Kaloloku Road, Keaka Road, Moanakai Road, Fernandez Road, Panihi Road, Niulani Road, Makaha Road, and Kealoha Road, Kapaa, Kauai, Hawai'i

RECOMMENDATION:

It was recommended that the Board approve the Memorandum of Agreement document; whereby, the Board of Water Supply, County of Kauai, agrees to abandon existing waterline facilities within certain County roads located as specified above in the Kapaa District, Kauai, Hawaii.

FUNDING: Not applicable.

BACKGROUND:

Construction plans call for the abandoning of all existing water facilities as required during the Waipouli Mainline Replacement installation. The Department of Public Works, County of Kauai, has asked the Department of Water to enter into the Memorandum of Agreement in order to leave existing water facilities abandoned in place.

Mr. Costa moved to approve Manager's Report No. 11-02, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Manager's Report No.11-03: Request Board Approval of a Memorandum of Agreement for the Pipeline Replacement along Wailua, 'Ohana, and Anolani Roads, Job No. 02-16, Water Plan 2020 Project No. WK-36 - Between Board of Water Supply, County of Kauai, and Department of Public Works, County of Kauai, affecting portions of County Roads, Wailua Road, 'Ohana Road, and Anolani Road, Kapa'a, Kaua'i, Hawaii

RECOMMENDATION:

It was recommended that the Board approve the Memorandum of Agreement document; whereby, the Board of Water Supply, County of Kauai, agrees to abandon existing waterline facilities within certain County roads located as specified above in the Kapa'a District, Kauai, Hawaii.

FUNDING: Not applicable.

BACKGROUND:

Construction plans call for the abandoning of all existing water facilities as required during the Pipeline Replacement installation along Wailua, 'Ohana, and Anolani Roads. The Department of Public Works, County of Kauai, has asked the Department of Water to enter into the Memorandum of Agreement in order to leave existing water facilities abandoned in place.

Mr. Costa moved to approve Manager's Report No. 11-03, seconded by Mr. Oyama. by a unanimous vote; motion was carried.

Re: Manager's Report No.11-04: Memorandum of Agreement for the Eiwa, Umi, Akahi, Elua and Hardy Streets (Lihue) Mainline Replacement, Job No. 05-06, Water Plan 2020 Project No. PLH-25 - Between Board of Water Supply, County of Kauai, and Department of Public Works, County of

Kauai, affecting portions of County roads, Eiwa, Umi, Akahi, Elua and Hardy Streets, Alohi, Uiki and Lalei Place, Lihue, Kauai, Hawai'i

RECOMMENDATION:

It was recommended that the Board approve the Memorandum of Agreement (MOA) document; whereby, the Board of Water Supply, County of Kauai, agrees to abandon existing waterline facilities within certain County roads located as specified above in the Lihue District, Kauai, Hawaii. The MOA binds the Board to remove the abandoned waterlines should the Department of Public Works require its removal in the future.

FUNDING: Not applicable.

BACKGROUND:

Construction plans call for the abandoning of all existing water facilities as required during the Waipouli Mainline Replacement installation. The Department of Public Works (DPW), County of Kauai, has asked the Department of Water to enter into the Memorandum of Agreement in order to leave existing water facilities abandoned in place.

Mr. Costa moved to approve Manager's Report No. 11-04, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

DISCUSSION ON MANAGER'S REPORTS 11-02, 11-03, 11-04

Mr. K. Fujimoto pointed out the reason for the MOA is if we need to remove the abandoned water lines in the future. The MOA is the agreement to leave the existing water facilities abandoned in place.

Upon query from Chair Nishimura if someone other than DOW dug up and damaged the abandoned line, if the MOA addresses who would be responsible, Mr. K. Fujimoto noted that it does not address this issue.

Mr. D. Fujimoto recused himself from this Agenda item.

Upon query from Mr. Crowell if this is still a DOW line, Mr. K. Fujimoto noted that Waterworks Controller Ganaden indicated the lines are abandoned but it is off our inventory – they would still be our responsibility because of the MOA. The lines are not "live".

Upon query from Mr. Crowell if someone wants to lease the lines, Waterworks Controller Ganaden stated that we would have to put them back on our books if they became an asset to us. Presumably the applicant would have to come to DOW and DPW.

Chair Nishimura assumed that with the MOA, we are clearly responsible for taking out the line if DPW requests it at any time in the future. Should an entity want to utilize those lines for non-potable use, who would have the jurisdiction over that line? It's disconnected, it's off our asset base, but how would any decision on future utilization of that line be handled. Deputy County Attorney Esaki noted that an

easement would be requested from DPW and a request to DOW for use of that pipeline.

Chair Nishimura requested Manager Craddick develop a mechanism to keep track of these lines. Mr. Ganaden noted that these are in the "held for future use" category. Upon query from Mr. Kahawai if there are already assets in that line item, Mr. Ganaden noted there are very few, maybe just one. Line items in that category do not depreciate, they are held at original cost.

Chair Nishimura requested the Board Secretary draft a letter to the Department on how they would develop the mechanism to track future liability or use. A separate MOA could be created.

Mr. K. Fujimoto noted that, sooner or later, they are going to exercise the right to move some of it, and it is going to be costly, so we need to remember this.

Re: Manager's Report No.11-05: Request Board Approval of a Grant from the Kikiaola Land Company for our Amfac Shaft, Kekaha, Kauai

RECOMMENDATION:

Board approval of a services grant not to exceed \$8,500 dollars from Kikiaola land Company was requested.

BACKGROUND:

Kikiaola expects, with the source being approved, it would be quicker to cancel any DOW water restrictions in the Kekaha/Waimea Water System. There have been no other representations from DOW that the grant would do anything other than rush the final Department of Health (DOH) decision. The purpose of the service grant is to get a DOW pump installed in AMFAC Shaft in Kekaha in a timely fashion. DOW does not have the special tools or the equipment to do the work in-house. We have requested prices for the work and the prices are in the range of \$7500 to \$8500. We expect the actual work will be in the \$3200 range.

The AMFAC shaft is in need of further testing to obtain DOH approval of the source as ground water not under the influence of surface water. We have put a contractor's pump in the hole two times without receiving DOH approval. The two pump settings and removal have cost DOW in the range of \$125,000. We decided it would be best to put our own pump in the hole and there would be no time limit on DOW for removing it before DOH's acceptance of the source.

DISCUSSION

Upon query from Mr. Kahawai, Manager Craddick reported that although DOW has the pump - which we have manufactured - the manpower and equipment would be provided by Kikiaola. Mr. K. Fujimoto noted that if DOW had put it out to bid the anticipated cost to DOW would be \$7,500, however Kikiaola could do the work for \$3,200. The value to the Department would be \$7,500 to \$8,500. Manager Craddick noted that we could put the pump in, and still not get ground water not under the influence of surface water which could result in a treatment pump at that time. Kikiaola has plans in for development which are affected by the water and sewer

restrictions in that area. Kikiaola would be bringing in their own subcontractors as they do not have a C57 license – they are their own general contractor.

Mr. D. Fujimoto expressed concern about the potential for liability if there is any damage, and if DOW is comfortable with the firm doing the work. Mr. Costa expressed concern over liability if someone got hurt. Manager Craddick confirmed that DOW will work with our attorneys to address these concerns and make sure the Department is covered.

Upon query from Mr. Kahawai asking if we had done Services Grants before, Ms. Shiramizu stated that we had done one for \$10,000 with the Kaua'i Watershed Alliance.

Chair Nishimura stated that Mr. D. Fujimoto's point is well taken, that we do this in a manner that would mitigate the Department and the County's exposure to liability.

Chair Nishimura also stressed that by accepting this donation of services, it is clear to the donor that this does not necessarily guarantee removal of the meter restriction issue. Manager Craddick noted that the donor clearly understands this.

Manager Craddick will follow up with a letter concerning the liability issue. The letter will outline the conditions under which we are accepting the grant and the understanding of the liability issue, and we will also clear it with the State that they have no objections. Mr. K. Fujimoto noted that this is State land but we are given free access to it until we determine that the well is not useable.

Chair Nishimura returned to the issue of meter restrictions. We had contractors install two pumps and not resolve the influence of surface water into the well, so was it the contractor's pump that was the issue or is there a probability it may be the actual influence of surface water. Mr. K. Fujimoto noted he is 95% confident that is not under the influence of surface water. Manager Craddick stated it was not the fault of the contractor's pump, but we did not have a provision to leave the pumps in long enough to resolve the issue, due to the cost. If we put our own pump in there, we are in control of when it comes and goes.

Chair Nishimura presumed that this is in the testing phase and if a permanent pump will need to be put there. Manager Craddick confirmed this was the case and that Kikiaola is aware of that. This agreement is just to put in this pump, but it may become part of the permanent pump installation contract. This is just to get through the testing. Mr. K. Fujimoto noted the first pump was in for about a week and the second one just to get a water sample. Mr. Costa was concerned that if the tests on the two other occasions still resulted in influence of surface water, what makes us believe that if we leave a pump in longer there would be a different result. Manager Craddick reported that the pumps were very small in gpm and this pump is 400-450 gpm, closer to what the well can actually produce. Typically they have to be pumped for about 1,000,000 gallons before they will clean up; the other pumps were only about 20 gallons per minute. If enough volume is pumped, it should clean it out as it has been sitting for a long time.

Recess: 11:22 a.m. to 11:27 a.m.

The Regular Meeting reconvened at 11:27 a.m.

Manager Craddick reported that actually **three** pumps had been put in the hole but there was scrap iron, etc. in the well, and also a side tunnel coming in, which had to be sealed up to stop backflow in that way. Mr. K. Fujimoto noted that by leaving the pump there it can run continuously until we get the answer we need.

Chair Nishimura liked the spirit in which this was being done, but wanted to ensure we are covering the Department, our employees and the County from any negative influences.

Mr. Costa moved to approve the grant with the understanding that, prior to initiating work by the grantor, that the DOW work with the County Attorney's office and also its in-house legal advisor to address liability exposure concerns; seconded by Mr. Crowell.

Mr. D. Fujimoto wanted to make sure that the Department has a final right of refusal on who is going to do the work.

With no further discussion; by a unanimous vote; motion was carried.

Re: Request Board Approval of Resolution No. 1, (10/11), Mahalo and Aloha Retiree Paul Ganaden

Although the resolution was not included in the agenda packets, it was available and read at the Thursday, July 15, 2010 Board Meeting.

Recess: 11:41 a.m. to 11:45 a.m. The Regular Meeting reconvened at 11:45 a.m.

Mr. Oyama moved to approve Resolution No. 1 (10/11), Mahalo and Aloha Paul Ganaden, who will be retiring from the Department of Water as of August 1, 2010, seconded by Mr. D. Fujimoto.

On behalf of the Board, Chair Nishimura thanked Waterworks Controller Ganaden for all his years of service, and wished him a Happy Retirement!

With no further discussion; by a unanimous vote; motion was carried.

Re: Manager's Report No. 11-06 - Request Board Approval of the following documents from the following applicant for their respective projects:

- 1. Grant of Easement and Conveyance of Water Facility from Kukui'ula Development Company (Hawaii), LLC for the Construction Plans for Major Project (Ala Kukui'ula) Road, Subdivision S-2004-45; TMK (4) 2-6-15:016, (Lot 16), Koloa, Kauai, Hawaii**

RECOMMENDATION:

It was recommended that the Board approve the Grant of Easement document whereby, Kukui'ula Development Company (Hawaii), grant to the Board of Water Supply, County of Kauai, a perpetual easement, Lot 16, on, over and under that

certain parcel of land located in TMK: (4) 2-6-15:016, Koloa, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of a potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the Construction Plans for Major Project (Ala Kukui'ula) Road, S-2004-45; TMK (4) 2-6-15:016, Koloa, Kauai, Hawaii.

Further, Board approval was specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department's negligence while using the area.

It was also recommended that the Conveyance of Water Facility document be approved; whereby, Kukui'ula Development Company (Hawaii), LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

Waterline:

- 1,651 lineal feet of 16-inch Ductile Iron Pipe Waterline
- 5,581 lineal feet of 12-inch Ductile Iron Pipe Waterline
- 168 lineal feet of 8-inch Ductile Iron Pipe Waterline
- 264 lineal feet of 6-inch Ductile Iron Pipe Waterline
- 3 each 16-inch Resilient Wedge Gate Valve
- 19 each 12-inch Gate Valve
- 4 each 8-inch Gate Valve
- 7 each Fire Hydrant Assembly
- 10 each 6-inch Gate Valve, including C.I. Valve Box & Cover for Fire Hydrant
- 3 each 3/4-inch Copper Air Relief Valve Assembly
- 4 each 1-inch Copper Air Relief Valve Assembly
- 3 each 6-inch Blowoff Line
- 1 each 8-inch Blowoff Line

in place complete, for the Major Project Road Phase 1 (S-2004-45), TMK: (4) 2-6-015: Por. 16, Koloa, Kauai, Hawaii.

Mr. Kahawai moved to approve the Grant of Easement and Conveyance of Water Facility from Kukui'ula Development Company, including its indemnification provision, seconded by Mr. Fujimoto.

DISCUSSION

Ms. Suzuki stated Por. lot 16 is subject to CFD, not Lot 16. Ms. Suzuki noted that we get the facility but there's an agreement where Kukui'ula taxes the residents for the use of the facility but they get to keep the proceeds. Mr. D. Fujimoto stated that the

Water Department assumes the liability. It is not the property that is the subject of the CFD assessment, it is the recipient.

With no further discussion; by a unanimous vote; motion was carried.

2. **Grant of Easement from Kukui'ula Development Company (Hawaii), LLC for the Construction Plans for Major Project (Ala Kukui'ula) Road, Subdivision S-2004-45; TMK (4) 2-6-15:016, (Easement W-7), Koloa, Kauai, Hawaii (note: grant of easement is for an adjacent parcel to Major Project Road)**

RECOMMENDATION:

It was recommended that the Board approve the Grant of Easement document whereby, Kukui'ula Development Company (Hawaii), grant to the Board of Water Supply, County of Kauai, a perpetual easement, W-7, on, over and under that certain parcel of land located in TMK: (4) 2-6-18:061, Koloa, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of a potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the Construction Plans for Major Project (Ala Kukui'ula) Road, S-2004-45; TMK (4) 2-6-15:016, Koloa, Kauai, Hawaii.

Further, Board approval was specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department's negligence while using the area.

Mr. Kahawai moved to approve the Grant of Easement from Kukui'ula Development Company, including its indemnification provision, seconded by Mr. D. Fujimoto.

DISCUSSION

Mr. Aoki reported that for the Grant of Easement the TMK number of (4) 2-6-15:016 is referencing the project, not the actual easement location W7, the TMK of which is (4) 2-6-18:061.

Recess: 11:53 a.m. to 11:58 a.m. The Regular Meeting reconvened at 11:58 a.m.

Ms. Esaki noted that in the future, the TMK should correspond to what the documents say.

With no further discussion; by a unanimous vote; motion was carried.

3. **Grant of Easement and Conveyance of Water Facility from Kukui'ula Development Company (Hawaii), LLC, a Hawaii limited liability company for the Subdivision Y (S-2005-25), TMK: (4) 2-6-015:017, (4) 2-6-016:092, (4) 2-6-016:093, (4) 2-6-016:094, (4) 2-6-016:095, Koloa, Kauai, Hawai'i**

It was recommended that the Board approve the Grant of Easement document whereby, Kukui'ula Development Company (Hawaii), grant to the Board of Water Supply, County of Kauai, perpetual easements, Easement "AU-1, AU-2, AU-3 and AU-4", on, over and under that certain parcels of land located in TMK: (4) 2-6-15:017; 2-6-16:092; 2-6-16:093; 2-6-16:094; 2-6-16:095, Koloa, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of a potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the Construction Plans for Subdivision Y (S-2005-25); TMK (4) 2-6-15:017; 2-6-16:092; 2-6-16:093; 2-6-16:094; 2-6-16:095, Koloa, Kauai, Hawaii.

Further, Board approval was specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department's negligence while using the area.

It was also recommended that the Conveyance of Water Facility document be approved; whereby, Kukui'ula Development Company (Hawaii), LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

Waterline:

- 5,248 lineal feet of 12" Ductile Iron Waterline
- 2,687 lineal feet of 8" Ductile Iron Waterline
- 357 lineal feet of 6" Ductile Iron Waterline
- 850 lineal feet of 4" Ductile Iron Waterline
- 24 each 12" Gate Valve including C.I. valve box & cover
- 4 each 8" Gate Valve including C.I. valve box & cover
- 17 each 6" Gate Valve including C.I. valve box & cover
- 2 each 4" Gate Valve including C.I. valve box & cover
- 17 each Fire Hydrant Assembly w/ 1 - 4 1/2" & 1 - 2 1/2" outlet
- 5 each 2.5" Cleanout
- 6 each 4" Cleanout
- 4 each 6" Blowoff Line
- 2 each 4" Blowoff Line
- 7 each 1" Copper Air Relief Valve Assembly
- 16 each 1-inch Copper Single Service Lateral for 5/8-inch Water Meter
- 36 each 1-1/2 inch Copper Double Service Lateral for 5/8-inch Water Meter

in place complete, for the Subdivision Y (S-2005-25), TMK: (4) 2-6-015:017, (4) 2-6-016:092, (4) 2-6-016:093, (4) 2-6-016:094, (4) 2-6-016:095, Koloa, Kauai, Hawaii.

Mr. Kahawai moved to approve the Conveyance of Water Facility and Grant of Easement from Kukui'ula Development Company, including its indemnification provision, and seconded by Mr. Fujimoto; by a unanimous vote; motion was carried.

STAFF REPORTS

Re: Statement of Kaua'i County Water Department's Revenues and Expenditures

Waterworks Controller Ganaden stated that the Board of Water Supply has been very supportive to him over the years and wanted to thank all the Board members, and also the Manager and his staff.

Mr. Costa moved to receive the Statement of Kaua'i County Water Department's Revenues and Expenditures report and placed it on file, seconded by Mr. Fujimoto; by a unanimous vote, motion was carried.

Re: Public Relations Specialist's Monthly Update Regarding DOW Public Relation Activities

Project WET: Make a Splash 2010 is scheduled for Thursday, September 23rd. Preparations are moving forward with Summer Intern Heather diligently working on the "to-do" list.

American Water Works Association ACE 10: The ACE 10 Conference in Chicago, held June 21-24, 2010, provided great opportunities for a glimpse at the bigger picture of the role of water utilities, while at the same time helped attendees to realize that most water utilities experience similar struggles, thus the benefit of sharing information at a conference.

Sessions that I attended addressed traditional media versus social media, with social media being the "buzz" of most of the public relations workshops. Other topics covered included Educational Outreach Programs to attract tomorrow's workforce, Crisis and Risk Communications and Notification Systems.

It was also exciting to watch and cheer on the Hawaii Pipe Tapping Teams.

Public Relations Request for Proposals: The advertising for the Public Relations Request for Proposal appeared in the Star Advertiser on Wednesday, July 7, 2010. It will also be listed on the State Procurement Site. Proposal deadline is August 18, 2010.

Social Media: Met with John Wada, General Manager for FM97 and Chris Jensen, co-owner of Hawaii Stream regarding options of getting exposure into social media via their site that is already up and running.

DISCUSSION

Upon query from Mr. D. Fujimoto, Ms. Shiramizu outlined the difference between social media, i.e., Twitter, Facebook, etc., and traditional media, i.e., newspapers,

TV. There are differences between Facebook and Twitter – Facebook is more personal, where you accept people as friends, etc. Because it is two-way information, we would have to be set up properly internally to allow us to respond before we advance into the social media realm, so it is high maintenance for the Department. Mr. D. Fujimoto requested Ms. Shiramizu look into training on social media and how and why it is used before this could be supported, and also who is authorized to use it and what are the liabilities for the Department. Manager Craddick noted that social media is also included in our RFP for Public Relations.

Manager Craddick noted that if we had 10% of the people on Kauai as our Facebook friends, anything we send them, gets sent to the friends on their list, etc., and this is the definition of viral communications. Several years ago AWWA said they had PR people from a San Diego utility who said they had enough social media friends where they could get out information faster than any newspaper, radio or anything, so as it matures, you are able to get the word out to the community much faster than any other way.

Ms. Shiramizu is also working on using the County CTY. We tried it for the Ornellas Tank meeting, where we also put it on the radio and TV. The County did not want to really use the CTY if the situation was not an emergency, but all five people who came to the meeting came because they got the call on CTY. It seems that people are going to newspapers and TV less nowadays and more to social media.

Our Facebook is Kauaiwater. It is not used for any legal notices.

Mr. D. Fujimoto noted that this reflects how important these conferences are and what the nation and the rest of the industry is doing. Ms. Shiramizu noted that the Social Media was a break-out session at the AWWA National Conference.

Mr. Costa moved to receive the Public Relations Update and placed it on file, and also requested that the Department look into how it might in the future implement social media and that the Board should look at rules to see how social media should and should not be used by the Department; seconded by Mr. Kahawai.

Ms. Shiramizu confirmed that we should then not move forward with using social media until we have looked at rules of usage.

Chair Nishimura noted that by receiving this report, one of the Board policies is that staff going on Out of State Travel is required to furnish a report. The chair considers this report Ms. Shiramizu's Out of State Travel Report.

With no further discussion; by a unanimous vote, motion was carried.

Re: Deputy Manager's Summary Report on Monthly Operational Maintenance

The Deputy Manager is on leave. The next Operational Maintenance Report will be presented at the August 19, 2010 Board Meeting.

Re: MANAGER'S UPDATE for JUNE, 2010 to JULY, 2010

CONTRACTS AWARDED BY THE MANAGER:

Re: Job No. 03-02, Phase 2, Water Plan 2020 Project HW-02, HW-03, Wainiha
Booster Pump Station and Haena Steel Tank Renovations

Contract awarded to Unlimited Builders LLC in the amount of \$1,639,117.90.

Funding:

Account No. 201-01 Bond –BAB	\$53,936,161.34
Contractor, Unlimited Builders LLC....	\$1,639,117.90
Contingency, approximately 5%	\$ 88,882.10
Total.....	<\$1,720,000.00>
Balance Remaining, Account No. 201-01 Bond –BAB	\$52,216,161.34

Re: Annual Audit for Fiscal Year Ended June 30, 2010

Contract awarded to KMH LLP (KMH) in the amount of \$66,000 {Recurring Audit is \$50,000 and Single Audit is \$16,000}

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

WAIVER, RELEASE AND INDEMNITY AGREEMENTS SIGNED BY THE
MANAGER: None.

PERSONNEL MATTERS UPDATE: Updated July 6, 2010

RECRUITMENT:

Ops Division:

1. **Water Service Supervisor III** vacancy. Conducting internal departmental recruitment.
2. **Lead Pipefitter** vacancies. Conducting internal departmental recruitment.
3. **Account Clerk** vacancy. Conducting internal departmental recruitment.
4. **Automotive Mechanic I** request to post to recruit due to anticipated vacancy. Manager Craddick reported that the DPS said the person who has been doing the job for four years does not qualify for the position, so we are re-describing his position and switching that position with the welder position and making that the auto mechanic position so there is no change to the budget.

Fiscal Division:

1. **Accountant I**, two vacancies. Interviews scheduled around mid-July 2010.
2. **Data Entry Operator I** vacancy. Start date pending successful completion of pre-employment exams.

Engineering and Special Projects Divisions:

1. **Civil Engineer V** vacancy in Special Projects. Start date pending successful completion of pre-employment exams.
2. **Project Assistant** (Special Projects Division). Selectee declined. Department considering another candidate.
3. **Civil Engineer II** (Engineering Division) vacancy as of July 7, 2010. Open recruitment in effect, awaiting list of eligibles.

4. **Civil Engineer VI** (Engineering Division head) vacancy. Submitted request to recruit to Department of Personnel Services.

Administration Division:

1. **Computer Systems Support Technician I.** Selectee decline. Open recruitment in effect, awaiting list of eligibles.
2. **Secretary** vacancy. Open recruitment in effect, awaiting list of eligibles.
3. **Clerical Assistant** – Community Relations. Open recruitment in effect, awaiting list of eligibles.

Affordable Housing Update *(Same update as the June 14, 2010 Affordable Housing Task Force Meeting, as the July, 2010 meeting has not been scheduled yet).* The last Affordable Housing Task Force (AHTF) meeting was held on Monday, June 14, 2010 at Pi'ikoi Conference Room A, with the status of projects below.

Updates on AHTF Projects:

1. Habitat - Eleele I Luna Subdivision Phase 2 (107 lots, 1 park): Site construction for the 12" sewer main will be completed next week. Housing agency estimated that on-site infrastructure improvements for Phase II, Increment 1, will be bid out by the end of 2010.
2. Kauai Lagoons – Kapule Project: Water improvements have been conveyed to the Water Board.

Housing Agency is preparing amendments to the zoning ordinance and related housing agreement to change the lease hold ownership to fee simple ownership. Housing estimates that Council approved amendments to the Housing agreement to revise the ownership of the units to fee simple title with first preference to employees of Kauai Lagoons.

3. Kukui'ula Employee Housing - "Gap" Housing subdivision and zoning permit. The County Council amended the housing agreement that is required by the Zoning Amendment ordinance this week. The development was able to extend the development deadline until 2013.
4. Kohea Loa (Hanamaulu Triangle) - Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities. DR Horton (DRH) met with the DOW and was informed that necessary water system facilities must be installed as per the Water Master Plan. DRH will continue to work with Grove Farm and the DOW.
5. Paanau Village, Phase 2: The developer is projecting final subdivision approval after the necessary improvements are bonded by Kukui'ula Development Company. On site construction is scheduled for August/September 2010. Occupancy is projected for end of 2011.
6. 'Ele'ele – 75 acre parcel acquisition: Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The

Housing Agency is negotiating with their consultant to include a water master plan with the community master plan documents.

State Land Parcels (County Affordable Housing): No report at meeting. {Next meeting will be announced by Housing.}

AWWA Chicago Conference: Board conferees were Randy Nishimura, Dee Crowell, and Leland Kahawai and staff conferees were David Craddick, Keith Fujimoto, Faith Shiramizu and Edward Doi. Congratulations to Edward Doi who at the AWWA Conference won the Platinum Presidential Award, which is part of the Individual Membership Recruitment Awards. The conference was centered on sustainability and it is clear that if projects we do are not done in a sustainable manner, costs will continue to rise.

Manager Craddick noted that we quickly need to reduce our carbon footprint and we need to get creative.

Manager Craddick also related the story from the conference opening session; the man who started Earth Day was the speaker and asked if anyone knew how much the biomass of humans were in relationship to other animals (reptiles, insects, mammals), a shocking 75%.

Mr. Kahawai moved to receive the Manager's Update for June 2010 – July 2010, and placed it on file, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

Re: For the Board's Information on the Kaua'i County Water Department Briefing on Departmental Projects

A written quarterly report of the status of the DOW's projects, along with an Executive Summary, was given to the Board for their information.

Mr. Keith Fujimoto thanked Mr. McCormick on the Waimea Well Refurbishing Project as Mr. McCormick assisted with expediting the approval of our drawings.

Mr. Costa moved to receive the DOW's Quarterly Projects Briefing Report and place on file, seconded by Mr. McCormick; by a unanimous vote, motion was carried.

Re: Strategic Plan Update: Issue Champions & Affordable Housing Reports

Re: Report from Issue Champions

Issue No. 1, Morale:

1) Fun Committee Events:

- a) The Fun Committee and the department have been infused with new energy with the return of our summer intern, Heather Kubota, who jumped right into planning our summer hike. The hike is planned for July 16th to Hanakapiai.

- b) Heather in the lead again has recruited her fellow interns to organize a potluck for the department. The potluck is scheduled for Thursday, August 5th after work in the park across the DOW.
- c) The Fun Committee welcomes Jeff Mendez as our newest member. Mahalo to Keith Aoki, Rona Miura, Mona Yamauchi, Keith Fujimoto and Faith Shiramizu for joyfully serving on this committee since its inception four years ago.

2) Rewards Committee:

- a) Second Quarter Water Bucks were presented to Special Projects Engineer Dustin Moises, Waterworks Inspector Jay Perreira and WR&P Engineer Heath Prow....with Congratulations going to our Employee of the 2nd Quarter: Heath Prow.
- b) With a dwindling committee due to retirement, a request for volunteers turned out fruitful, welcome new committee members, Virgil Kapanui, Sandi Nadatani-Mendez and Carol Beardmore. Mahalo to members who have diligently served on this committee since its inception, Keith Aoki, Russell Coyaso, Keith Konishi, Margie Loo, Rona Miura, Fay Tateishi, Faith Shiramizu and outgoing member, David Okamoto.

DISCUSSION

Upon query by Chair Nishimura if the overall department morale is better, worse or not much changed from two years ago, Ms. Shiramizu stated that it depends upon who you talk to. For some, the morale is a lot better. She does not know if the Morale Committee itself has helped, but it has added some fun to the work, but the overall management of the Department is what creates the morale. Chair Nishimura asked if, among the people Ms. Shiramizu has talked to, there are people who think the morale is worse. Ms. Shiramizu noted that there are a couple, but there are more people, including the people retiring, who say it is better. For the ones who think it is worse, you have to take into consideration the individual, their work ethics perhaps, and their own state of mind and attitude for the job.

Upon query by Mr. Kahawai if an exit interview survey is done with employees, Mr. D. Fujimoto stated that it is a requirement by DPS. Manager Craddick confirmed that it is done and the results are sent to the Department of Personnel Services. Chair Nishimura felt it would be instructional if copies of these surveys go to management for review.

Issue No. 2, Strong and Qualified Workforce:

PERSONNEL MATTERS UPDATE: Updated July 6, 2010

RECRUITMENT:

Ops Division:

1. Water Service Supervisor III vacancy. Conducting internal departmental recruitment.
2. Lead Pipefitter vacancies. Conducting internal departmental recruitment.
3. Account Clerk vacancy. Conducting internal departmental recruitment.

4. Automotive Mechanic I request to post to recruit due to anticipated vacancy.

Fiscal Division:

1. Accountant I, two vacancies. Interviews scheduled around mid-July 2010.
2. Data Entry Operator I vacancy. Start date pending successful completion of pre-employment exams.

Engineering and Special Projects Divisions:

1. Civil Engineer V vacancy in Special Projects. Start date pending successful completion of pre-employment exams.
2. Project Assistant (Special Projects Division). Selectee declined. Department considering another candidate.
3. Civil Engineer II (Engineering Division) vacancy as of July 7, 2010. Open recruitment in effect, awaiting list of eligibles.
4. Civil Engineer VI (Engineering Division head) vacancy. Submitted request to recruit to Department of Personnel Services.

Administration Division:

1. Computer Systems Support Technician I. Selectee decline. Open recruitment in effect, awaiting list of eligibles.
2. Secretary vacancy. Open recruitment in effect, awaiting list of eligibles.
3. Clerical Assistant – Community Relations. Open recruitment in effect, awaiting list of eligibles.

Issue No. 3, Water Quality:

1. Sample site work order for Kuamoo Rd. submitted in September, but no work yet. Operations requested a different site be selected. Currently using the old Poliahu State Park site since they have constructed a new bathroom.
2. New sites chosen for routine sampling to replace sites that were hard to access or have been removed. More old sites need to be changed. On-going.
3. Main break monitoring on hold, pending finalizing procedures and follow up between both the Lab and Operations. In the meantime, Peggy is informally checking on mainline breaks.
4. Decided to go with Triggered Monitoring Plan for the new GWR. Plan submitted to SDWB (accepted by SDWB). One hit so far. Monitoring plan seems to be workable.
5. Sampling sources to see if any will present problems with fecal indicators if triggered monitoring is required. So far only Garlinghouse Tunnel seems to be problematic. On-going.
6. Kalaheo, Lawai/Omao and Koloa have to be one system under the GWR. We propose to call it Kalaheo/Koloa System #434. The proposed system has been submitted to SDWB. We are awaiting approval. Has been approved as of 12/1/09.

STATUS OF WATER PLAN 2020 PROJECTS:

PROJECTS UNDER DESIGN:

- 1) Job 03-02, HW-03, (Phase II), Wainiha Booster and Haena Tank Renovations (Consultant: Brown & Caldwell) – Design completed and construction bids were opened on June 10, 2010.
- 2) Job 02-18 WK-32 Phase II, Pipeline Replacement for Kapaa Homesteads (Consultant: Fukunaga & Associates)
 - a. Design completed.
 - b. Bids were opened and construction contract has been awarded to Jennings Pacific, LLC.
- 3) Job 04-02, WK-14 Phase II, Pipeline Replacement for Vivian Heights and Kanaele Road (Consultant: Fukunaga & Associates)
 - a. Design completed.
 - b. Bids were opened and construction contract has been awarded to Earthworks Pacific.
- 4) Job No. KW-28 Amfac Shaft (Consultant: Brown & Caldwell)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.
- 5) Job 02-06, WKK-15 Kilauea Tank #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed tank site.
- 6) Job 05-02, H-8 Drill and Test Hanalei Well #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed well site.
- 7) Job 05-02, HW-12 Drill and Test Wainiha Well #4 (Consultant: Kodani & Associates) – Consultant preparing the Environmental Assessment.
- 8) Job 02-14, WK-08, Kapahi (Ornellas) Tank (Consultant: Belt Collins)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.
- 9) Job WK-39 Kapaa Homesteads Well #4 (Consultant: Hawaii Pacific Engineers)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.
- 10) Job No. 02-24, WK-02 Renovate Akulikuli Tunnel, Phase 2 (Consultant: SSFM International)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.
- 11) Job 02-06, WKK-15 Kilauea Tank #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed tank site.
- 12) Job 05-06, PLH-25 Eiwa, Ekahi, Elua and Hard Streets 8" Waterline Improvements (Consultant: BOW Engineering) – Routing tracings for signature.
- 13) Job 02-16, WK-36, Pipeline Replacement along Wailua, Ohana, Anolani and Kuamoo Roads and Lehia Lane (Consultant: Esaki Surveying) – Under design.

PROJECTS UNDER CONSTRUCTION:

- 1) Job 05-03, KW-25, 03-03, KW-24, Kapilimao 0.5MG Tank and 03-03 Generator Shelter (Consultants: Brown and Caldwell, Kodani & Associates)(Contractor: Kauai Builders)

- a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.
- 2) Job 02-14, WK-09, 03-03, WK-15, Kapaa Homesteads 0.5 MG Tank and Makaleha Generator Shelter (Consultants: Belt Collins, Kodani & Associates, Contractor: Kauai Builders)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.
- 3) Job WK-42 Phase I, 1 MG Stable Tank and Control Valves (Consultant: Tom Nance Water Resource Engineering, Contractor: Kauai Builders) – Project is 92% complete.
- 4) Job WK-42 Phase II, Kaapuni Road Waterline for Stable Tank (Consultant: Hawaii Pacific Engineers, Contractor: Earthworks Pacific, Inc.) – Project is 94% complete.
- 5) Job 02-18, WK-32, 04-02, WK-14, Phase I, Kaehulua & Apopo Roads Waterlines (Consultant: Fukunaga & Associates, Contractor: Earthworks Pacific, Inc.) – Project is 89% complete.
- 6) Job 97-10, WKK-14 Kilauea Booster Pump Station (Consultant: Austin Tsutsumi, Contractor: Oceanic Companies) – Project is 96% complete.
- 7) Job No. 04-04, PLH-09, Pipeline Replacement for Lihue Town (Consultant: Akinaka & Associates, Contractor: Cushnie Construction) – Project is 100% complete.
 - a. DPW OT issue remains.
- 8) Job No. 04-06, KW-05 & KW-20, Kekaha Well B Renovations (Consultant: Engineering Solutions, Contractor: Goodfellow Bros.) – Project is 90% complete.
- 9) Job No. 05-01, KW-16 & KW-23, Waimea Town Waterline (Consultant: Hawaii Pacific Engineers, Contractor: Goodfellow Brothers) – Project is 19% complete.
- 10) Job No. 02-03, KW-14 & KW-15, 12" Waterline along Kaunualii Highway and Waimea Canyon Drive (Consultant: Park Engineering, Contractor: Koga Engineering & Construction) – Project is 8% complete.
 - a. Addressing NPDES permit and design alignment issues.
- 11) Job No. 02-05, HE-10A & PLH-41 12-Inch Waterline along Ulaula & Uliuli Roads, Eleele and 8-Inch Pressure Reducing Valve, 400 GPM Booster Pump & 6" Connecting Main, Nawiliwili (Consultant: Kodani & Associates, Contractor: Earthworks Pacific) – Project is 98% complete.
- 12) Job No. 04-02, WK-14 Phase II, Pipeline Replacement for Vivian Heights and Kanaele Road (Consultant: Fukunaga & Associates, Contractor: Earthworks Pacific) – Project is 0% complete. Notice to proceed issued for July 26, 2010.
- 13) Job No. 02-18, WK-32 Phase II, Pipeline Replacement for Kapaa Homesteads (Consultant: Fukunaga & Associates, Contractor: Jennings Pacific) – Project is 0% complete. Notice to proceed issued for July 26, 2010.

Issue No. 4, Workplace Efficiencies:

Ongoing:

1. Jeff Mendez in IT continues to work to broaden our information base for our Geographic Information System (GIS). He is assisted by WR&P's Engineer Heath Prow and Eng. Tech. Cleve Shigematsu.

- a) Jeff and Heath are in the process of setting up a Geodatabase that will contain all the different types of information that will be used for GIS.

This geodatabase will contain data features, such as pipe, tanks, meters, hydrants, etc. We are also determining the attributes or information that describes these features, such as type of material.

They will be 'GPS'ing' all of the water system infrastructure and have begun testing out using our GPS devices by testing on the Anini Water System. They have no formal training on using the devices; therefore, it has been a sort of learning experience for them.

- b) Current GIS Update by Jeff

We are making good progress. In terms of GIS, aside from not locating a few valves, Anahola Water System has been completed. Heath Prow will be taking the GIS model and importing it into WaterGems Water Modeling program. This program will help the department determine the water needs for a system more efficiently.

Jeff, along with two summer interns, is working on creating the GIS Water Model for the Puhi-Lihue-Hanamaulu Water System.

Upcoming:

1. The Issue Champions Committee requested to work on the implementation of the DOW Contract Management System to monitor progress of the DOW's contracts.
 - a) Still work in progress on gathering required information to input into the system.
 - b) Clerical training will follow to assist with updating the projects on the program.
 - c) Implementation of the DOW Contract Management System has been delayed with a new target implementation date of April 1, 2010.
 - d) Once the system works, documentation of the process would be included in the DOW's work process manual.

2. Envision a department-wide work process manual to be compiled with documentation of any type of divisional work processes to assist with succession planning and to better internal and external customer service
 - a) Processes need to be reviewed and updated.
 - b) Will be documented using Microsoft Visio software.
 - c) Will setup internal meetings.

3. The Issue Champions Committee requested the DOW employee's vacation/sick leave status into a computerized monthly statement, which will eventually be issued as part of the computerized payroll module.

Issue No. 5, Accountability: Nothing new to report.

Mr. Costa moved to approve the Quarterly Issue Champions Report, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

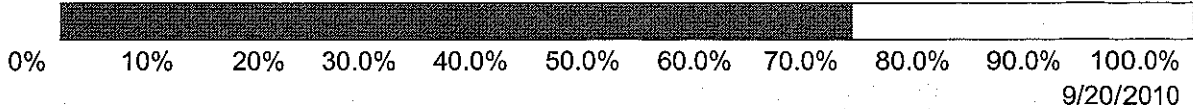
Re: Affordable Housing Projects – Quarterly Summary Status as of June, 2010 (formerly prepared by RW Beck)

This report is a summary of progress on the Affordable Housing Projects.

Job No. 05-03, KW-25, Kapilimao 0.5 million gallon tank:

- A. Under construction. SSFM managing construction as of 4/22/10.

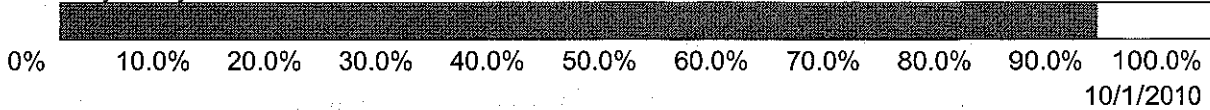
Construction



Job No. KW-28, Amfac Shaft:

- A. Awaiting decision by management to proceed with more testing.

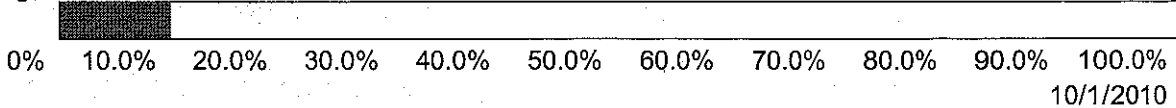
Feasibility Study



Job No. 02-14, WK-08, Kapahi 1.0 million gallon tank:

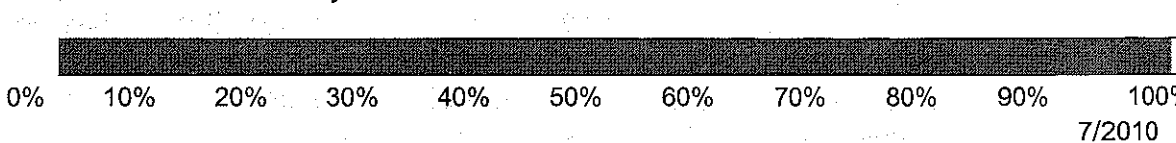
- A. Held community meeting. Proceeding with two 0.5 MG circular tanks at the existing Ornellas Tank site. EA being prepared.

Design



Job No. 02-14, WK-09, Kapaa Homesteads 0.5 million gallon tank:

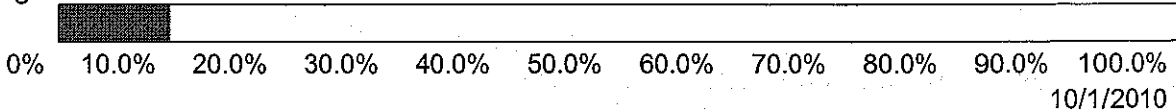
- Need to tie-in SCADA system. Contractor to submit final documents for closeout.



Job No. WK-39, Kapaa Homestead Well #4:

- A. Proceeding with locating the well at the existing Ornellas Tank site. EA being prepared.

Design



Job No. 02-24, WK-02, Akulikuli Tunnel:

- A. Department will be conducting water quality testing.

DISCUSSION

Upon query from Chair Nishimura, Manager Craddick noted that for water quality testing for Akulikuli Tunnel, we may have to run a pipe inside the tunnel as there seems to be a problem with the side where the water source is. We just had a sanitary survey from the Department of Health. We have 60 days to take care of the DOH issues so the crew is focused on taking care of these issues right now.

Mr. Costa requested that the Affordable Housing Report be amended to show exactly which Affordable Housing our water projects are for.

Chair Nishimura requested an update on the County-acquired 75 acre 'Ele'ele parcel and its timeframe and if there is anything we need to do to service it. Mr. Costa noted that, from the original list of potential sites, some sites are being pursued and some have been added; the 'Ele'ele site may have been a more recent addition. Manager Craddick was requested to add this to his next quarterly report so it is realigned with what the Housing priorities are.

Mr. Oyama moved to receive the Affordable Housing Report and place on file; seconded by Mr. Costa; by a unanimous vote; motion was carried.

EXECUTIVE SESSION:

Pursuant to H.R.S. §92-7(a), the Commission may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

EXECUTIVE SESSION AGENDA: None.

There was no Executive Session at this Board Meeting.

ES-2010-2: Letter Received from Ms. Dawn Murata, Agent for the Miyahara Project, 'Oma'o, Kaua'i. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

Mr. Costa moved to receive the Letter and placed on file, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

TOPICS FOR NEXT WATER BOARD MEETING:

1. For the Board's Approval on Department Report and Recommendations on Letter from Ms. Dawn Murata, Agent for the Miyahara Project, 'Oma'o
2. Request Board Approval on Committee Discussion and Possible Action on Rule on Part 1, Rules of Administrative Practice and Procedure
3. Revised Informational Report on Manager's Goals
4. Job Performance Evaluation of the DOW Manager and Chief Engineer, requests to be sent out to the Manager's compatriots for peer review
5. Request Board Approval of Resolution No. 1, (10/11), Budget for Fiscal Year 2010-11
6. Consideration on whether the Board will continue to follow Board Policy No. 16 Regarding Out-of-State Travel
7. Board Discussion and Possible Action on Large Lots Subdivisions, possible Rule Change

TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Job Performance Evaluation of the DOW Manager and Chief Engineer
(September 2010)
2. Quarterly Reports:
 - a. For the Board's Information on the Kauai County Water Department Briefing on Departmental Projects (October, 2010)
 - b. Strategic Plan Update: Issue Champions & Affordable Housing Reports (October, 2010)
 - c. Informational Report on Manager's Goals (October, 2010)

UPCOMING EVENTS

1. Project WET: Make a Splash 2010 - Thursday, September 23, 2010
2. Hawai'i Water Works Association (HWWA) Annual Conference on Kaua'i - October 13-15, 2010

NEXT WATER BOARD MEETINGS

1. Thursday, August 19, 2010, 10:00 a.m.
2. Thursday, September 16, 2010, 10:00 a.m.
3. Thursday, October 21, 2010, 10:00 a.m.
4. Thursday, November 18, 2010, 10:00 a.m.
5. Thursday, December 16, 2010, 10:00 a.m.
6. Thursday, January 20, 2011, 10:00 a.m.

ADJOURNMENT

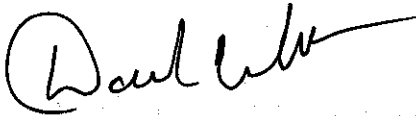
There being no further business, the meeting was duly adjourned at 12:48 p.m.

Respectfully submitted,



Carol Beardmore, Commission Support Clerk

APPROVED:



David R. Craddick, P.E.
Manager and Chief Engineer

cab